

Bahrain Government receives 50% of the profits of the oil industry. 652
The Eastern Bank, since it was established in 1919, has served as the State's Treasury and a Budget is published every year showing the revenue and expenditure of the State.

The Customs Directorate is in the centre of the Manama sea front 651
and there are subsidiary offices in Muharrag Town, at the Airport 439
and at Sitra. All goods of any kind which are imported or exported 504
must pass through the customs. The Customs Pier at Manama, which was originally built in 1917, has frequently been lengthened and enlarged and now extends for a quarter of a mile out to sea. Owing to shallow water, vessels in the Manama harbour have to anchor some three miles from the shore and passengers and cargo are conveyed to and from the steamers by launches, barges and sailing dhows. The port and storage facilities in Bahrain are better than elsewhere in the Gulf and importers are allowed to retain their goods in the customs premises for ninety days before re-exporting them. There are usually about 90-100 sailing vessels and launches alongside and anchored off the pier, these come from other Gulf ports, from the west coast of India and from the Red Sea. Walking down the customs pier one sees many interesting types of vessels and sea-faring Arabs from all parts of the Gulf and beyond it.

On the west of the entrance to the Pier is the Passport Office. 486
Passport Officials go aboard all passenger vessels and are present at the Airport when aircraft arrive. Bahrain has had its own passports since 1929.

On the south side of the Square, which has a little garden in the centre of it, is the "Bab al-Bahrain," the Gateway of Bahrain, consisting of two large blocks of office buildings with an archway in the centre. On the south side of the western block there is a fine old Arab door and on the balconies of the buildings as well as around the garden in the Square there are cement panels containing Arabesque patterns copied from old buildings in Bahrain. 344

The Bab al-Bahrain contains the finance and accounts department 344
where all payments to the Government for electricity, water, etc., etc., 655
are made, the Land Department which deals with sales and registration 423
of property and questions about boundaries and ownership of land, the registration of sales being compulsory, and several other government offices. His Highness has a reception room overlooking the square on the first floor of the building where he sits on Wednesday mornings. Here he receives any visitors who wish to call on him and sees people who present petitions. On Monday mornings he visits the Municipal Buildings at Muharrag where he holds a similar reception. 643

East of the Customs, on the sea front, is the Law Courts Building 692
which contains a number of different courts including religious courts presided over by the Qadis of the Sunni and Shia sects. Certain foreigners, including British, Americans, Pakistanis and Indians are under the judicial authority of H.B.M.'s Political Agent. In mixed

At Awali are the offices and the homes of the European employees of BAPCO, while outside the fence is the Arab camp for the few Bahrainis who prefer to live there rather than in their own towns and villages. Near Awali's eastern gate is the Training School for Bahrainis, where something is done to equip them for higher posts in the company. This is a field of activity which the company is beginning to develop and it is very important that it should succeed. 361
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South of Awali, in the desert around the Jebal ad-Dukhan, is the oil field, the *raison d'être* of BAPCO, an unimpressive area with many little squares of cement decorated with taps and valves and surrounded by low fences, which are the oil wells, while here and there derricks mark the search for more oil which is always in progress. 315

After the Abadan Refinery the one on Bahrain is the largest in the Middle East and supplies large quantities of refined products to India, Pakistan, East Africa and other countries "East of Suez." During the day it would be difficult to describe the refinery as anything but a large and ugly mass of iron and steel, with the great Cat. Cracker rising above the squat silver tanks. The air is hot and dusty and in the summer the iron-work is so hot that to touch it raises blisters; but in the evening the refinery takes on the appearance of a slightly shapeless but nevertheless well decorated Christmas Tree, covered in lights and set against a background of flares of burning gas which illuminate the sky like a lurid orange back-cloth. 382
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The Sitra anchorage has at all times an appearance of feverish activity, it is being improved so that it will be possible to load ships and tankers round the clock. In order to do this the jetty is being floodlit with great arc lamps. (504)

On low-lying Sitra Island all that can be seen from the sea are the storage tanks, it is only on approaching nearer that the island itself becomes visible. The Tank Farm spreads across the middle of Sitra, and as it expands it threatens to cut the island in two. To the south of the Tank Farm is a large group of buildings from which a crashing sound is continually heard; this is the Drum Plant. Further evidence of this is present in the thousands of newly painted drums that are piled in huge rows near the plant.

The oil industry is directed from the main office in Awali, where from air-conditioned coolness in the summer and air-conditioned warmth in the winter instructions go out to all parts of Bahrain where BAPCO has its installations. Bahrain is well situated for an oil industry. The oil wells are about eight miles from the Refinery, which itself is scarcely more than half that distance from the Pier and Tank Farm, while from Awali it is possible to see on a clear day both the Refinery and the Field. The radio-telephone and the aeroplane used in other Middle Eastern fields have no place in Bahrain where phones and cars are quite sufficient. 382
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Of the 7,749 workers employed by BAPCO at the end of 1951, 4,937 were Bahrainis and 1,035 were British, American and other 464
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CUSTOMS REGULATIONS

There is usually little difficulty in importing goods into Bahrain, except the following, which are not allowed :—

- (a) Arms and Ammunition,
- (b) Alcoholic and intoxicating liquors (except under licence).
- (c) Cultured, bleached or tinted pearls and undrilled pearls produced outside the Persian Gulf,
- (d) Obscene, indecent or seditious literature or pictures,
- (e) Dogs, except with special permission of the Director of Customs which will only be granted in the case of dogs accompanied by a veterinary surgeon's certificate of inoculation against rabies.
- (f) Counterfeit coins,
- (g) Opium and its allied products and cocaine and its allied products.

Books and printed matter, gold and silver bullion and coinage, samples, undrilled Persian Gulf pearls, implements and tools of trade for the use of the traveller are exempt from customs duties. For those arriving for the first time in Bahrain to take up residence, household effects, new clothing, silver and plate are also exempt from duties.

All travellers may bring into the country not more than 100 cigarettes, 50 cigars or $\frac{1}{2}$ pound of tobacco, the containers of which must have been opened.

All other goods are liable to a customs duty. The duty on tobacco and liquor is 15%, luxuries pay 10% and necessities, 5%, but prospective travellers should not depend upon this as a hard and fast rule but are advised to ascertain the rates for each article. The Bahrain Government published a Customs Ordinance in 1950 in the form of a booklet, price Rs.2, which is obtainable from the Director of Customs, Manama, Bahrain.

LANGUAGES

The official language of Bahrain is Arabic, but some English is spoken in most parts of the State; it is usually possible in cases of difficulty to find an English-speaking Arab

On the other hand the Arabs much appreciate foreigners who take the trouble to learn even the rudiments of their language, which, it must be admitted, is very difficult. For this purpose possibly the best book in print is Van Ess's *Spoken Arabic of Irak*. There are, of course, many other excellent books on Arabic, but for conversational purposes the one above approaches nearest to the particular brand of Arabic spoken in Bahrain.

PASSPORTS AND VISAS

All intending visitors to Bahrain are required to have passports endorsed for Bahrain, and in addition they should apply for an entry

REVIEW OF 1372

000 The two most important events during the year were the conclusion of a new oil agreement between the Government and the Bahrain Petroleum Company and His Highness Shaikh Sulman's first visit to Europe to attend the coronation of Her Majesty Queen Elizabeth.

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439 The new oil agreement was on a 50-50 basis on the same lines as other agreements which have recently been made between governments and oil companies in the Middle East, it also provided for a payment to the State on oil imported into Bahrain for refining. As a result of this agreement the total revenue for the year under review was 373½ lakhs of rupees, approximately £2,800,000, though the new scale of payments was not in operation throughout the whole of 1372.

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657 Expenditure was higher than in 1371. Excluding the one third of the oil revenue, which is paid to the Privy Purse, 48 per cent. of the State's expenditure was on social and public services; Education, Public Health, Public Protection and grants to Municipalities absorbed 18½ per cent., 15-3/8 per cent., 10-4/5 per cent., and 3 per cent. respectively, including capital expenditure on new schools, dispensaries and police quarters. The demand for more schools and hospitals is continuous and insistent but few Bahrain people realise the heavy recurrent cost of medical and education services which can be maintained on the present scale only as long as the present revenue continues.

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471 Trade flourished and the revenue from customs was higher than in the previous year; during recent years customs collections have risen annually. Local prosperity was apparent from what might be described as a building boom. Many new houses and shops were built in the towns and suburbs by private enterprise. The type of house varied from European style bungalows and blocks of flats, built by merchants and shaikhs for letting, to small stone houses which are gradually replacing barastis, palm branch huts. Several serious fires in barasti areas, which destroyed many dwellings, gave an impetus to building. Working men who owned pieces of ground built small houses and the Government received hundreds of applications from people who wished to buy building plots. Unfortunately the Government owns very little land in and around the towns, much of it having been given away or sold cheaply many years ago.

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161 The standard of living in Bahrain is very much higher than it was a few years ago and the health of the people is noticeably better than it used to be. For these reasons and owing to a steady influx of foreigners, mostly from Oman and the Trucial Coast, who come to Bahrain to work, it is believed that there has been a substantial increase in the population which at the time of the last census, in 1950, was found to be 110,000.

578 The state of public security was good in spite of the presence of large a number of foreigners who are not as naturally law abiding as the people of Bahrain. There were no political or labour disturbances.

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439 Relations with Qatar deteriorated owing to incidents connected with the visit of a party of Bahrain schoolboys and school teachers to Zubara during the Spring holiday. The commercial development of Qatar tended to reduce Bahrain's transit trade and deprived some of the Bahrain merchants of agencies which used to include both Bahrain and Qatar. Relations with Saudi Arabia and Iraq were friendly, a deputation headed by Shaikh Isa bin Sulman, His Highness's eldest son, represented Bahrain at the coronation of King Faisal in Baghdad.

DIVING INDUSTRY

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There is little to report on this subject. Under present conditions it seems probable that in a few years the diving Nakhudas will find that it is impossible to obtain any recruits for diving in Bahrain. During the season only 12 boats went out to the banks from Bahrain and most of the divers who were engaged were from Persia and the Trucial Coast. So much money can be earned on shore that few men are willing to leave their shore jobs in order to dive during the summer months.

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The tax on imported pearls imposed by the Government of India was in force throughout and after the diving season and this contributed to a large extent to the slackness in the pearl trade. Taking into consideration the small number of boats employed in diving the catch was moderately good and pearl prices were not much lower than in the previous season.

MEDICAL DEPARTMENT

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(Report by Dr. R. H. B. Snow, M.B.E., Senior Medical Officer)

Summary of the Year

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A change is gradually infiltrating and making itself evident in the scope and policy of medical work which is increasing in every department and subconsciously affecting the life of the Island. Traditions are now being established which the new generation are growing up with, and health ideas which once were revolutionary are now accepted as the normal course of reasonable upbringing.

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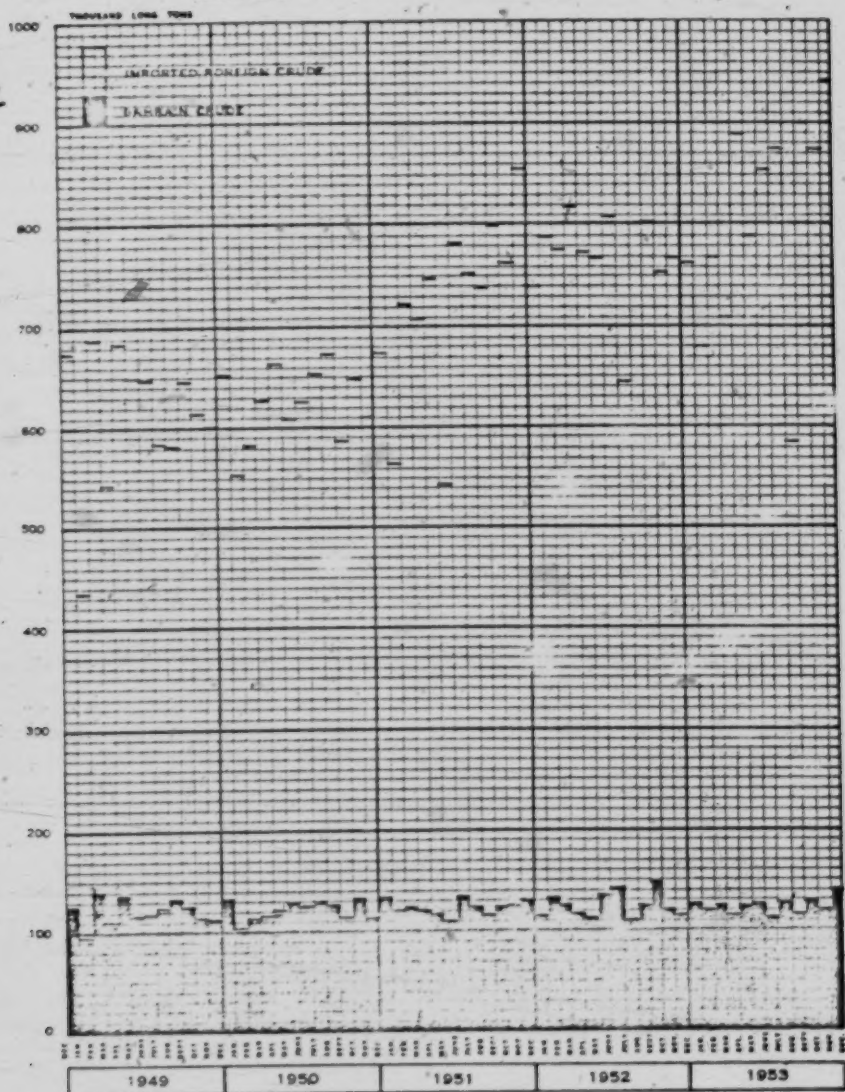
The medical department which started in a small way, and expanded slowly is seeing results which are very satisfying but which are taken for granted, although they took years of striving to achieve. From its small beginnings and tiny nucleus of key staff it has now spread out from something rather personal to more of a departmental outlook. This in the course of things is bound to be, but its danger is that lack of co-ordination may develop or that the department may absorb the individual expression. At present there seems to be no signs of this because the various heads of departments meet together continually to exchange ideas and align themselves in a common policy, and also they are readily accessible to the public.

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Lines of expansion have shown themselves everywhere. The surgical work has been given great impetus by the advent of an F.R.C.S. specialist, Mr. R. D. Wilkins.

The operation theatre now runs a staff rota for every 24 hours of the day, made possible by recruiting Sister Ford and Sister Johnson from England. Sister Edwards was appointed to the Nursing Home to replace Sister Millson. The X-Ray department has an English Radiographer in charge—Mr. Havey. The Laboratory has a staff of six technicians. Four new Indian doctors arrived, one lady doctor for the Women's Hospital, and the others, male, were appointed to the Boys' Schools, The Port, and the Hospital. Mr. Burgin replaced Mr. Hanvey as Public Health Inspector, and Mr. Nambiar became the new Anti-Malaria Supervisor. Both hospitals recruited many more Indian trained nurses. The lack of sufficient staff has now been made good and at present meets all needs which recently have been very pressing. It meant also that more specialised apparatus could be installed being safely handled by expert hands. Such things include a more powerful X-Ray plant, a modern anaesthetic apparatus to administer all gases and curare, an electro-cautery unit and an electro-cardiograph.

REFINERY THROUGHPUT. BAHRAIN 1949-1953.



[facing page 50 a]

CASH RECEIPTS RETURN—1372 ¹/₂

	Rs.	As.
TRANSFER FEES	686	—
TAXATION FEES	89,606	1
NUMBER PLATES	2,397	—
LICENCE HOLDERS	663	8
DRIVING LICENCES	14,525	—
LICENCE BOOKS	1,922	—
TAXI BADGES	75	—
DRIVING TESTS—Fees	6,650	—
LICENCE LATE FEES .. *	335	8
PEDAL CYCLE TAX	1,697	—
HIRE OF "L" PLATES	99	—
LEARNERS LICENCE PERMITS	1,063	8
REGISTRATION LATE FEES	2,312	—
REGISTRATION INFORMATION	3	—
PUBLIC CONVEYANCE LICENCE	865	—
TAXI DRIVERS LICENCES	853	8
TRADERS LICENCES	2,175	—
Total	Rs. 1,25,929	1

OIL INSPECTION DEPARTMENT

(Report by Mr. G. B. Thompson, Government Oil Inspector)

382 The Refinery throughput of Bahrain Crude Oil remained about the same as the previous
 439 year, but the total Refinery throughput, including both Bahrain Crude Oil and Imported
 505 Foreign Crude Oil, increased from 9,254,140 Long Tons in 1952, to a figure of 9,654,390 Long
 Tons in 1953. The actual figures being :

Bahrain Crude Oil	1,480,638 Long Tons
Imported Foreign Crude Oil	8,173,751 Long Tons

There was a slight drop in the number of ship cargo inspections carried out :

1952	178 Ships, 476 Parcels, 1,741,861 Long Tons
1953	170 Ships, 463 Parcels, 1,628,045 Long Tons

* The term "Imported Foreign Crude Oil" has been used in place of the term "Arabian Crude Oil," used in previous years, the change having been made to allow inclusion of two shipments of Sumatran Crude made late in 1953, which were successfully processed through the Refinery.

Graphs showing the Refinery throughput and the Ship Inspection figures for the last five years are included. *

¹/₂ [A.D. 1352-53 -- Analysis] ²/₂ [Graphs being page 50 a + b -- Analysis]

CUSTOMS DEPARTMENT

(Report by Mr. G. W. R. Smith, M.B.E., Director of Customs and Port Office).

651 The revenue collected by the Customs Department from all sources, including Boat Licences, exceeded last year's revenue by Rs. 8,26,600 -, and exceeded the amount which was anticipated in the budget by Rs. 21,49,632 -. This substantial increase in Customs Revenue was due to larger imports of rice with higher prices being obtained at source, increased cost of coffee at source, and heavy imports of flour and tea. A decrease in the amount of income from Direct Transhipment cargo may be attributed to the more frequent use of the port of Um Said by the Qatar Petroleum Co. There was a decrease in the price at source of woollen and cotton piece goods, compared to last year; in the case of woollens the decrease was 5 per cent., but in the case of cotton piece goods it was as high as 20 per cent. There was again an increase over the previous year in the number of ocean going vessels and native craft calling at the port of Bahrain. Japanese vessels were more frequent callers, but in the main the increase in ocean going vessels was due to a second call at the port for the purpose of taking bunkers. It will be noted that the number of Bills of Entry and Export Shipping Bills dealt with in 1372, were again more than in 1371, further emphasising Bahrain's growing importance as an entreport in the Persian Gulf.

439 During the year under review the period allowed for Intransit Cargo was increased from 90 days to six months, and for cargo in transit to Saudi Arabia Ports—from 20 days to 40 days. This has proved of great benefit to importers.

Two new storage sheds were erected and completed during the year with a capacity of 9,000 tons dead-weight. At the end of the year Customs cranes were increased by the arrival of a new 10-ton capacity C. Mobine Crane. Work was commenced on the erection of a new Native Craft pier 1,200 feet long, to relieve congestion on the main Customs Pier.

000 Accidents—within Port Limits. On the 4th of May, 1953, a launch belonging to Messrs. Gray, Mackenzie and Co., Ltd., which was alongside near the Sea Front Road, caught fire by the bursting of a stove, and was partly destroyed. The craft was later repaired and returned to service. The Light Tender vessel *Relume* carried out her usual visits of inspection to the lights and buoys.

651 General. The estimated revenue for 1373, Rs. 90,00,000, is less than last year's revenue. This figure has been determined by the fact that there are indications of a definite downward trend in prices and there is overstocking of certain commodities, such as piece goods, tea, flour and cars, in the local markets.

YEAR 1372

ACTUAL RECEIPTS COMPARED WITH BUDGET ESTIMATES

Budget Head	Estimated	Actual	Increase	Decrease
	Collections	Collections		
	Rs.	Rs.	Rs.	Rs.
Customs and Import Yard	83,47,500 -	10, 12,120 -	20,74,620 -	—
Diving Licences	2,500 -	1,835 -	—	665
Miscellaneous	50,000 -	1,25,677 -	75,677 -	—
Total	84,00,000 -	105,49,632 -	21,50,297 -	665

Increase over Estimates : Rs. 21,49,632 -

COMPARISON OF DIFFERENCES

	Customs (Increase)	Pearling and Craft Licences (Decrease)
Year 1371	Rs. 27,24,030 -	Rs. 998 -
Year 1372	Rs. 21,50,297 -	Rs. 665 -

COMPARISON OF ACTUAL RECEIPTS

	Year 1371	Year 1372	Increase.	Decrease.
	Ra.	Ra.	Ra.	Ra.
Customs, Import Yard and Miscellaneous ..	97,21,530/-	105,47,797/-	8,26,267/-	—
Diving and Craft Licences ..	1,502/-	1,835/-	333/-	—
Net Increase : Rs. 8,26,600/-				

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COMPARISONS OF CUSTOMS CLASSIFIED RECEIPTS

	Year 1371	Year 1372	Increase.	Decrease.
	Ra.	Ra.	Ra.	Ra.
A. Steamers	69,09,644/-	74,97,479/-	5,87,835/-	—
B. Craft	4,77,975/-	4,86,620/-	8,645/-	—
C. Passengers' Baggage ..	86,130/-	96,878/-	10,748/-	—
D. Parole	6,88,343/-	7,73,922/-	85,579/-	—
E. D.F. Cargoes	4,06,319/-	3,10,788/-	—	95,531/-
F. Export Duties	5,404/-	20,560/-	15,156/-	—
G. Miscellaneous	93,508/-	1,25,677/-	32,169/-	—
H. I.Y. Collections	10,54,207/-	12,33,873/-	1,81,666/-	—
	Ra. 97,21,530/-	105,47,797/-	9,21,798/-	95,531/-
Increase : Rs. 8,26,267/-				

COMPARISON OF PRINCIPAL COMMODITIES

Commodity.	Year 1371		Year 1372	
	Quantity.	Value.	Quantity.	Value.
Rice, cwt.	2,14,878	100,93,800/-	3,39,805	191,23,735/-
Wheat, cwt.	30,472	9,81,065/-	26,200	8,93,665/-
Flour, cwt.	1,35,453	50,20,735/-	2,03,693	64,23,665/-
Tea, cases	53,237	53,35,200/-	92,357	73,4,265/-
Coffee, bags	9,607	37,40,600/-	11,777	40,70,265/-
Sugar (soft), cwt.	1,89,545	87,43,735/-	1,76,816	61,23,400/-

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Piece-goods :

Cottons	Ra. 127,82,935/-	Ra. 104,46,265/-
Woollens	31,32,335/-	23,46,400/-
Silks	41,29,400/-	41,87,665/-

COMPARISON OF AVERAGE UNIT VALUES

(Foodstuffs)

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Commodity	Unit	Year 1371		Year 1372	
		Rs.		Rs.	
Rice	bags of 160 lbs.	82/-		97/-	
Coffee					
African	maund of 56 lbs.	114/141		149/-	
Harari	maund of 56 lbs.	157/-		177/-	
Habashi	maund of 56 lbs.	141/176		165/-	
Singapore	maund of 56 lbs.	133/151		158/-	
Sugar (soft)	bag of 25 lbs.	115/-		80/-	
Tea (Indian)	chests of 112 lbs.	280/-		280/-	

COMPARISON OF AVERAGE UNIT VALUES

(Piece-goods)

Commodity	ENGLISH		INDIAN	
	1371	1372	1371	1372
	Rs.	Rs.	Rs.	Rs.
Cotton cloth	—	—	23/-	17/-
Prints, inferior	70/-	50/-	30/-	25/-

COMPARATIVE VISITS OF NATIVE CRAFT

Origin	Year 1371		Year 1372	
Arabian Mainland Ports	114		79	
Kuwait	51		51	
Oman Coast	272		239	
Arabian Coast	828		902	
India	47		54	
Indonesia	31		51	
Africa	50		41	
Qatar	58		53	
Muscat	—		3	
Pakistan	5		1	
Total	1456		1474	

BAHRAIN CRAFT REGISTRATIONS

	Wooden Barges.	Steel Barges.	Motor Launches and Barges.	Sailing Craft.	Total.
YEAR 1370 :					505
Registered Craft	12		253	838	1185
YEAR 1372 :					
New Built in Bahrain for hire .. .	—	—	1	1	2
Brought from Holland .. .	—	8	1	—	9
Brought from U.S.A. .. .	—	—	1	—	1
New Built in Bahrain for private use .. .	—	—	1	—	1
Old, purchased from R.A.F. by Anglo-Saxon Petroleum Co., Ltd. .. .	—	—	4	—	4
Old, brought from foreign ports .. .	—	—	7	6	13
	12	90	268	845	1215
Old craft fitted with engines .. .	—	—	2	3	—
Total .. .	12	90	271	842	1215
LESS IN 1372 :					
Sold and removed .. .	—	—	—	1	1
Lost at Sea .. .	—	—	1	3	4
Useless—broken-up .. .	1	—	2	21	24
	1	—	3	25	29
Actual number of craft registered up to the end of 1372 .. .	11	90	268	817	1186
Total .. .	12	90	271	842	1215

EXPORT OF BAHRAIN OIL PRODUCTS WERE :

	Year 1371		Year 1372	
	Drums	Tons.	Drums	Tons.
Gasoline and Aviation Gasoline .. .	34,472	57,925	13,990	14,39,471
Fuel Oil .. .	—	33,72,963	—	41,09,845
Diesel Oil .. .	1,600	2,26,033	1,41,000	2,48,435
Diesel Fuel .. .	—	—	—	95,197
Kerosene .. .	8,249	7,46,084	14,350	5,74,433
Gas Oil .. .	7,112	62,566	—	1,03,952
Gas Oil (Diesel) .. .	11,123	3,91,171	2,397	2,79,201
Crude and Synthetic Crude .. .	1,09,100	96,795	—	72,346
Motor Spirit .. .	27,607	1,4	—	61,115
Petroleum Products .. .	1,18,700	—	44,308	—
Vaporizing Oil .. .	396	—	—	1,793
Total .. .	3,18,829	66,96,072	2,16,245	69,85,788

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Staff :

Number of Clerks (Customs)	..	..	..	..	106	
Number of Clerks (Food Control)	..	..	..	..	10	116
					<u>116</u>	

Menials :

Customs, including Guards and Crane Crew	..	..	..	..	83	
Food Control	..	..	..	..	4	87
					<u>87</u>	

Salaries Paid :

Customs Department	..	..	Rs. 3,49,193/-			
Food Control	..	..	28,998/-			
			<u>Rs. 3,78,191/-</u>			

Menials Wages Paid :

Customs Department	..	..	Rs. 1,25,899/-			
Food Control	..	..	7,897/-			
			<u>Rs. 1,33,796/-</u>			

Bills of Entry. The total number of Bills of Entry dealt with was 34,728, an increase of 6,080 over 1371.

Particulars are :

Steamers	..	..	24,013	
Craft	..	..	3,157	
Baggage and Aircraft	..	..	7,558	
			<u>34,728</u>	

Shipping Bills. The total number of Shipping Bills dealt with during the year amounted to 54,441, an increase of 6,218 over 1371.

FOOD CONTROL DEPARTMENT

Holding ample stocks of rice at the beginning of the year under review, and having in mind the possibility of being able to discontinue rationing, the Government made no large scale purchases of rice and sugar in 1372. In all, only Rs. 6 lakhs were spent in the purchase of a small quantity of Persian rice.

During the year it became more and more obvious that there was plenty of rice available for export from Burma and Siam, so the Government called a meeting of leading importers, and informed them that if they were prepared to import sufficient rice for internal needs (about 85,000 bags, each of 160 lbs. per annum), the Government would cease to purchase and ration this important commodity. The Government would, however, continue to exercise a price control for at least a year. The importers agreed to do this and it was possible to cease rationing by the end of Ramadhan 1372. Since that date supplies have continued to arrive regularly to importers, who have retailed same to the public at prices below the controlled rate.

The Government issued to the public 8 lbs. of rice per adult for the first nine months of the year at prices ranging from Rs. 1.12.0 to Rs. 2.4.0 per ruba, since rationing ceased the price has not exceeded Rs. 2.6.0 per ruba, and is presently being retailed at Rs. 2.4.0 per ruba of 4 lbs.

Sugar was also de-rationed at the beginning of the year, plentiful supplies being available in the local market, and retailed to the public at prices ranging from Rs. 1.10.0 to Rs. 2/- per ruba of 4 lbs. The Government stock of sugar was reserved for barter for livestock from Iran and dates from Busrah.

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Over the past three years the Government has subsidised the price of meat and dates to the extent of approximately £70,000/-, sugar costing from £6 to £7 10s. has been sold to importers of livestock and dates at £3 15s. per bag.

That this policy has been wise is shown in the figures of imports of livestock during Ramadhan and Shawal 1372, as under :

<i>Ramadhan 1372 :</i>	Cattle	1019 head
	Sheep and Goats	13327 ..
<i>Shawal, 1372</i>	Cattle	526 ..
	Sheep and Goats	10914 ..

The retail prices to the public of beef, mutton, and goat meat in Bahrain are very much cheaper, by half at least, than in the neighbouring countries of Saudi Arabia and Kuwait.

Fish supplies were more plentiful than in the previous year, with prices again well below neighbouring states :

Imports of consumer goods increased during the year, and there are signs of over-stocking of certain commodities, particularly piece goods, flour, tea and motor cars.

During the year it was noticed there was a downward trend in the price of certain commodities such as timber, iron bars, windows, joists and muraba wood.

Large supplies of fresh fruits arrived in Bahrain from Lebanon, Persia, Australia, America and India, during the year with prices considerably lower than in the previous year.

Although the Government ended rationing during the year, it still maintains a price control on such essential commodities as meat, fish, rice, sugar, flour, wheat, tea and coffee.

STATE ENGINEER'S DEPARTMENT

(Report by Mr. D. Brammer, Assoc.I.E.E., M.A.S.E.E., State Engineer)

The Electricity Undertaking

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The Power Station. A new 750 K.W. Generating Set was completed and put into commission on 10th Ramadhan, increasing the total installed capacity of the station to 3,750 K.W.

Units generated amounted to 10,58,560, an increase of 28 per cent. on the previous year and the electricity supply to the public was maintained without any major interruption.

A notable achievement was the reduction in transmission losses from 13.25 per cent. to 6.26 per cent., a saving of some 360,000 units.

Mains Department. The four skilled linesmen who were recruited in India last year were discharged in Dhul Haj, 1372. Their work had become most unsatisfactory. The work of renewal and maintenance proceeded satisfactorily but the rate of connection of new consumers is still far too low and further efforts are now being made to recruit skilled staff in order to speed up this work.

A new underground H.T. cable was laid from the Power Station to "C" Sub-station and the H.T. overhead line between Muharraq Town and the Royal Air Force Station was re-erected and its capacity doubled.

[365] The H.T. underground cable around Muharraq Town was completed giving an extra supply of 320 k.w. to district which had never before had an electricity supply, and some two miles of L.T. distribution were erected in the town, together with street lights.

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suit them, they spoke no Arabic, and were regarded by the people of Bahrain as expensive foreign mercenaries; they were useless at ordinary police work, and the Indian Officers and N.C.O.'s caused constant trouble by incessant quarrels and intrigues. The Indians were enlisted for four years, but before this period had expired I began to enlist a force of local men as police, a project which I always strongly advocated. It was from this time that the present force was started, but the final transition was not completed until the end of 1932.

574 Crime and
362 Prostitution.
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The number of serious crimes which are committed every year in Bahrain is small in comparison to the population, which is thought to be about 150,000. Usually about one or two cases of murder are dealt with by the police during the year, but it is possible that occasional murders take place which are not detected, especially murders of women and newly born children. Although in recent years Bahrain has progressed in many ways, there are still a number of Arabs living in Hedd and Muharraq who consider that they are justified in murdering their female relations if the women bring shame on the family. A few of the very old-fashioned Arabs even consider that because the Government does not ignore such murders it is encouraging immorality. The Kadis, however, although ultra conservative in their outlook, disapprove of men taking the law into their own hands and murdering women who misbehave. In some Arab countries the fear of punishment by death for immorality has a very salutary effect, but Bahrain, although described as an Arab state, has very little in common with real Arab countries. The Baharna, who form about three quarters of the population, are not true Arabs, and the rest of the population includes all the nationalities who live around the Gulf. The only real Arabs in Bahrain are the Khalifah and a few families who came over with them from the mainland and a small number of members of mainland tribes who live almost entirely in Hedd, Muharraq, Budeya, and two or three small villages on the south coast.

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Immorality is undoubtedly increasing, but the increase in prostitution is not due to the Government but is a matter of supply and demand. During the last two years numbers of foreigners earning good pay have come to Bahrain, usually without their families, from Persia, Iraq, and India, and this has undoubtedly caused an increase in prostitution. Venereal disease is rampant, and the proportion of persons suffering from it, especially in opthalmic forms, is very high. The medical supervision of prostitutes would undoubtedly result in an improvement in the public health. This suggestion was discussed and approved by the Manamah Municipal Council some years ago, but it has not yet been possible to arrange the medical organisation to cope with this matter.

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Most of the criminal cases which are dealt with by the police are cases of theft, assault, and immorality. Several important gangs of thieves have been rounded up during the last ten years. Some of these gangs were well provided with arms and had regular methods of disposing of stolen property in Bahrain or on the mainland. Foreigners, especially Hassawis, form the majority of the criminals. There are a number of inveterate thieves who spend the greater part of their lives in prison. Such persons, on the mainland, would be punished by cutting off of their hands and finally by decapitation. The punishments inflicted by the Bahrain courts are whippings, fines, and imprisonment, but imprisonment to many of these people is no hardship: the work is not hard, they are given better food than they would obtain themselves, and the only real punishment is being deprived of women.

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Drugs and
Liquor.
Liquor and drugs, such as opium, are forbidden in Bahrain, but in spite of the severe penalties which are enforced by the Bahrain courts against persons contravening the liquor regulations, the habit of drinking liquor and smoking opium is, in my opinion, steadily increasing. Ten years ago very few people drank liquor, and the smoking of opium was entirely confined to foreigners, Persians, Indians, and Baluchis. To-day many of the younger Arabs have acquired a liking for spirits, partly because they have had opportunities for drinking while travelling abroad, and frequent cases have occurred in which Arabs have been found to be taking opium.

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Opium is smuggled into Bahrain from Persia, usually in native crafts, but sometimes hidden in merchandise on the mail steamers. It varies in quality, most frequently it is in large lumps weighing four or five pounds, but some times it is in paper-covered sticks sealed up in bundles. It is very

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expensive in Bahrain, and successful opium smugglers and retailers make large profits. Opium is easy to hide and lacks the strong smell which frequently leads to the detection of locally made liquor. In opium cases the police depend mainly on informers, who are usually men who are themselves concerned in the opium business but who consider that they have not had a fair share of the profits and so give their friends away. Opium has been discovered hidden in gramophones, clocks, flour-bins, and in the ceilings of rooms.

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Illicit liquor used to consist entirely of locally distilled arak made from dates. Ten years ago it was manufactured only by two or three Iraqis and Jews, who were gradually rounded up, but in about 1930 there was a great increase in arak, and a number of Bahrain subjects took to making it, probably because it was such a profitable trade. The illicit liquor traffickers displayed great ingenuity in hiding their stills and their cellars: arak was made in ruined houses, in out-of-the-way date gardens and in subterranean rooms which still exist in a few old houses which were used in the past as places for hiding valuables in times of war. Distributors kept bottled supplies of arak in wells, in false walls, under rubbish heaps, and sometimes under the seats of motor cars. In one case the police discovered that the municipal lunatic asylum was a distributing centre, and the keeper and his wife were members of a liquor gang.

About two years ago, after numerous prosecutions, there appeared to be a decrease in the use of arak, but cases began to occur in which people used methylated spirits as a drink. During the last year this practice has increased very much, and a concoction consisting of methylated spirits mixed with eau-de-Cologne is rapidly taking the place of arak. It is probably more injurious to the health than arak, but it is very popular with women of the town, and apparently a small quantity causes drunkenness in a short time. Methylated spirit is only sold to reliable dealers, and is mixed before being sold with a chemical to make it unpalatable; there are no restrictions, however, on the sale of scent.

The Ruler, the religious leaders, and the majority of the people in Bahrain disapprove very strongly of drink, but there is a small section of the community which would like the restrictions on liquor to be removed. The great influx of well-paid foreigners from countries where the sale of liquor is allowed is the chief reason for the increase of cases against the liquor laws. There is undoubtedly an occasional leakage of liquor from the Bahrain Petroleum Company, but this is not sufficiently frequent to have any effect on the liquor question in general. The most effective way of preventing the increase in drinking is to deal very drastically with any cases which are proved in the courts.

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The State Jail.

The jail is in the Fort and consists of a number of cells and a yard. Prisoners are well fed—they usually put on weight during their term of imprisonment—and are provided with clothes. Convicts wear leg-irons, which is a measure to prevent their escape, as they work outside the Fort most of the day. There are no regular warders, but each section of the police takes in turn jail duties; this was found more satisfactory than having a permanent jail staff. Usually there are between twenty and thirty convicts in the prison. Debtors receive the same food as prisoners, but wear their own clothes and are not obliged to do any work apart from cleaning the prison. As most of the convicts serve for short terms, it has not been possible to organise any prison industries. There is no women's prison, but there are two cells adjoining the house of the senior police N.C.O., whose wife acts as a wardress if any women are confined in the Fort. The question of a small building for women prisoners is under consideration, and the present jail is also to be repaired during the coming year.

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The Present Police Force.

Although the existing police force was enlisted locally, the men are not all Bahrain subjects. The present strength of the police is 204 N.C.O.'s and men, including Bahrain Arabs, Shia Baharna, local Persians, and one or two Persians who served in the South Persian Rifles, Kurds, Yemenis, Iraqis, mainland Arabs, Swahilis, Somalis, Sudanese, and a number of manumitted slaves; the last category make very good policemen. In the past, service in the police was regarded as somewhat derogatory, but in the last few years the public attitude towards the police has changed: there is now keen competition to enlist in the force, and when a few recruits are required, hundreds of men present themselves at the Fort for enlistment. It is now possible to take only picked men whose height, chest measure-

5. Landing Company. The British India Steam Navigation Company's agents have a concession from the Bahrain Government to operate a landing company which is authorised to convey cargo from steamers to the pier. They charge landing fees according to a schedule authorised by the Government, and the Company pays to the Government 5% of its total collections. 651

The cost of importing normal cargo, at the 5% rate, including all outside costs such as landing fees, import yard charges, etc., amounts to approximately 10%. This amount is not high considering that there is no other form of taxation in Bahrain.

(a) Mainland Cargo. Bahrain is, to a great extent, a distributing centre for the mainland ports; most of the imports into Saudi Arabia pass through Bahrain, and for this reason various special systems have been arranged to deal with the transit trade. Until about sixteen years ago, imports through Bahrain which were re-exported to the mainland were charged the same duty as imports into Bahrain. In 1921 the duty on re-exported goods was reduced from 5% to 2%, and during the last ten years further changes have been made.

(b) Optional Cargo System. In 1349 (1930-31) the *Optional Cargo System* was introduced. Under this system cargo imported into Bahrain, but intended for re-export to certain specified mainland ports, is charged full import duty, but is eventually liable for 2% only when the shipping bills are returned endorsed from the ultimate destination.

(c) Transshipment Cargo. Transshipment cargo is cargo transferred by boats from steamer to native craft direct; 1½% duty is charged on such cargo for certain specified ports and 2% for other ports provided that not less than 100 packages are transferred at once.

Transit Cargo. Transit cargo is cargo destined to other ports which is landed in Bahrain awaiting shipment. On this cargo 1½% is charged, and also the import yard charges.

The reduction in duty on goods for certain mainland ports in Saudi Arabia from 2% to 1½% was made in 1354 (1935-36) as the result of negotiations by a delegation sent by His Majesty King Ibn Saud to Bahrain to discuss various commercial matters with the Bahrain Government.

Harbour dues are charged only in the case of foreign launches which are not registered in Bahrain; no harbour dues are charged on native craft, although they are charged in all other ports.

Export Dues, Boat-Building. The only exports from Bahrain are dates, shells, animals' skins, and pearls. There is no export duty on pearls, but on the other commodities export duty is levied which amounts to approximately 5%. The only [439]

local industry of any importance is boat-building. This in the past was a flourishing trade, but with the slump in the pearl market, boat-building has declined. This table shows the numbers of boats built in Bahrain: [396]

Year.	Boats.	Launches.
1346	76 ...	10
1347	100 ...	12
1348	70 ...	28
1349	27 ...	13
1350	18 ...	2
1351	10 ...	1
1352	21 ...	2
1353	25 ...	1
1354	21 ...	4
1355	8 ...	5

The customs collections during the last ten years are shown on the attached graph. The peak year was 1346 (July 27th, 1928); from 1346 until 1351 the revenue decreased each year to an alarming extent; in 1352 it began to improve, mainly owing to the increase in rates of duty which

651 was imposed on luxury articles, liquor, and tobacco at the end of the previous year. From 1352
 439 onwards the revenue increased steadily, and at the end of the present year, 1356, it will probably reach the high level which it attained in 1346.

The decrease in revenue resulting from general trade depression in Europe, and particularly the slump in the pearl trade, was caused not so much by a reduced amount of imports but by a decrease in the price of commodities which continued for several years. The cost of rice, flour, and coffee became lower each year during the depression, and importation of comparatively expensive European cotton goods diminished as cheap Japanese goods increased. The shortage of ready money for several years, and the inability of the local Arabs to spend much money on clothes was the greatest stimulus to Japanese trade in the Gulf, and especially in Bahrain. If the spending power of the people had not been so restricted it would have been very much more difficult for the Japanese to monopolise the trade in piece goods and fancy goods. Though the customs collections declined owing to the low value of imports, the cheapness of goods enabled many people to live who would otherwise have found it difficult to exist. I give a table showing the prices of various commodities in different years. The amount of imports, etc., are published yearly in the Bahrain trade report.

653 Customs Improvements.

The customs pier and the import shed were built about twenty years ago; the pier shed was built in 1924. In 1925 a trolley line system was laid down to facilitate removal of cargo from the pier head to the sheds and to the bazaar. The trolley line resulted in doubling the quantity of daily cargo removals.

In 1927 a small mole and three small docks were constructed on the east of the pier. The mole was too narrow to be of much use, and the docks, which were dry at low tide, were also too small for general use. In 1937 the mole was widened and the new customs house was built on the site of the docks and a large piece of land in front of and on each side of the customs house was reclaimed. The additional area has partially relieved the congestion on the pier, where the area for storing cargo was insufficient.

The lighting of the port was improved in 1931 by the erection of a powerful light on the customs pier, which can be seen from the outer (white) buoy. When electricity was introduced, standard lamps were erected on the pier, enabling work to be carried out at night which was previously done under considerable difficulties. In 1933 the Gray Paul Beacon was lighted with a red flash light which affords great assistance at night to lighterage of cargo. A five-ton crane was purchased in 1930.

505 Steamship Lines.

In 1924 the port was served only by the British India Steam Navigation Company Limited, with a very occasional Strick Line steamer. In 1925 the first Hansa Line steamer made its appearance. These two lines, and the Strick-Ellerman lines, now call regularly at Bahrain with direct cargo from Europe. In 1934 the Yamashita line, and in 1936 the Mitsui line, commenced regular callings at Bahrain.

In 1931 the British India Steam Navigation Company Limited began the weekly calling here of their subsidiary down-mail which had previously called every fortnight. In October 1932 the first Imperial Airways liner called at Bahrain, and there is now a bi-weekly air service east and west, a service which is expected to become more frequent.

With the development of the Bahrain Petroleum Company, Sitra became the port of oil tankers, and on occasions special permission has been granted for cargo boats to discharge Bahrain Petroleum Company's cargo at Sitra. On these occasions any ordinary cargo not intended for the Company is conveyed by sea to the customs pier in Manamah. Although the Sitra anchorage is more sheltered than the Manamah anchorage, it is not proposed to develop Sitra in any way as a regular port. Customs officials are stationed at Sitra and attend on the aerodrome when ships or aeroplanes are in port.

504 Future Improvements.

An improvement to the port which has been under consideration on and off for many years is the extension of the existing pier to the edge of the deep water, which is about 400 yards distant from the pier head. Even if the extension were only a narrow one, it would be of great convenience both for passengers

504 and for cargo, as at present only very small boats can come alongside when the tide is at its lowest. While work was being done on the Manamah-Muharraq road it was inadvisable to start more stone work at the pier, but when the road is complete the pier extension will probably be begun.

It is also proposed that a small office for customs and passport officials should be built on the Muharraq aerodrome.

Year.	Customs Receipts.	No. of Steamers.	Remarks.
1344 ...	8,82,000 ...	— ...	A poor pearling season.
1345 ...	9,62,000 ...	— ...	Increase in all imports, especially rice, wheat, flour, and sugar. Persia increased taxes on tea and sugar.
1346 ...	10,58,000 ...	— ...	Increase of Rs 95,000/- from sugar and piece goods. Good pearling season.
1347 ...	10,59,000 ...	118 ...	Bazaars becoming overstocked.
1348 ...	8,95,000 ...	— ...	Budget expectations not fulfilled. Decrease in wholesale costs of all imports; silk and cotton goods depreciate 25% in value, carpets and abbas 40%.
1349 ...	6,36,000 ...	96 ...	Slump in pearl trade; prices of rice and wheat decrease 50%; export of sugar almost ceased. Chief exporter became bankrupt.
1350 ...	6,19,000 ...	97 ...	Decrease in prices of all goods. Pearl market very dull. Very large export of gold from Bahrain to India through Indian and Jewish firms. Japanese monopolise piece-goods trade.
1351 ...	5,46,000 ...	104 ...	Continued decline in price of staple commodities; one quarter less packages imported. Increase in Japanese goods and import of cheap Japanese silk. Customs dues on luxury articles raised from 5% to 7½%, and then to 10%, and on tobacco to 15%, and liquor, previously free, to 15%. Iraq wheat takes place of Persian wheat in Bahrain market.
1352 ...	5,58,000 ...	149 ...	Continued fall in value of commodities. In five years Japanese imports rose from Rs 5,000/- to Rs 13,42,000/-.
1353 ...	6,01,000 ...	174 ... (20 oil tankers)	Prices still decreasing, but quantity of imports increased.
1354 ...	6,50,000 ...	195 ... (19 oil tankers)	Steady improvement in imports and increased activity in trading.
1355 ...	8,28,000 ...	251 ...	Steady improvement in imports and increased activity in trading.

PRICES OF COMMODITIES

Commodities.	Year 1929.	Year 1934.	Year 1935.
Ballam rice ...	16/-	9/8	10/8
Karach rice ...	13/-	7/8	8/-
Rangoon rice ...	13/-	7/8	8/-
Sugar, Java ...	19/-	12/-	10/8
Sugar, crystal ...	16/-	11/-	9/8
Sugar, loaf ...	14/-	9/-	8/8
Wheat flour, Indian ...	17/-	11/-	11/-
Wheat flour, Iraqi ...	—	7/8	6/8
Tea, black ...	65/-	40/-	75/-

226 branches tied together with a string. It is fixed upright by means of ropes and stones and is set out near the shore or on banks which are dry at low tide, with the opening facing landward. At low tide the fish left stranded in the trap are collected.

The *basket*, or *gargur*, is usually constructed of palm branches, split bamboos, or twigs, with funnel shaped holes opening inward in such a way that the fish, once in, cannot get out again. The basket is weighted with stones, and five or six are placed near together in deep water, connected by a stout rope, the last basket with a rope and buoy attached. They are left for two or three days before they are pulled up and the fish removed.

TRANSIT SHIPMENTS

439 Bahrein is an important center of distribution for the commerce of Nejd and Qatif, and a trading place for merchandise from Persia and India. In fact, the islands re-export a third of all imported merchandise, including rice, cotton, sugar, coffee, cattle for slaughter, and pearls from other parts of the Gulf. Trade is carried on principally with India, the Arabian coast, Persia, and Iraq. In 1928 the total value of transit shipments exceeded £3,000,000.

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439 The customs is an important source of income, and the customs office is controlled by a British Director of Customs. General merchandise, in accordance with the provisions of the Convention of 1861, is subject to a 5% ad valorem tariff and luxury items are taxed 10%. Included in the category of luxuries are: carpets, bicycles, clocks, watches, electrical appliances, motor cars, tires and tubes, typewriters, and perfumes. Alcohol, tobacco, and cigarettes are taxed 15%.

There is no general tariff on exports with the exception of hides and dates, on which the duty is ten rupees per bundle of hides and two rupees per basket of dates. A duty of 2% is charged on all goods re-exported to Saudi Arabia, and 1¾% on those re-exported to other countries on the mainland.

439 Principal imports besides agricultural products are: broadcloth, cotton, woolen and silk goods, and wood, which is used

in the making of boats, houses, and other construction. A special permit is required to import arms and ammunition; alcoholic liquor is restricted, and cultured pearls forbidden. 439 [656]

The following table shows comparative figures on Bahrain imports and exports from 1941 to 1947. Figures are in rupees.

Table 6. **IMPORTS**

Product	1946-47	1944-45	1943-44	1941-42
Rice	35,82,420	13,45,370	9,67,870	32,48,800
Wheat	51,96,490	45,40,270	62,38,560	96,410
Wheat flour	41,960	8,22,380	17,88,220	7,67,420
Coffee	18,49,240	6,63,900	11,51,820	3,61,630
Dates	10,78,740	10,24,820	19,64,820	2,17,420
Sugar	9,48,580	15,14,500	11,28,170	7,74,190
Spices	—	—	7,05,050	—
Tea	13,54,330	26,11,210	—	5,50,260
Cotton piece goods	32,31,060	48,00,250	35,20,260	—
Silk piece goods	—	—	18,350	20,70,680
Cement	—	—	34,280	90,100
Other building materials	—	—	670	1,09,110
Woolen piece goods	9,13,440	1,21,000	—	—
Cigarettes	13,80,680	—	—	—

EXPORTS

Pearls	6,76,290	7,37,890	4,79,720	2,53,510
Sugar	9,31,020	11,89,710	20,20,440	5,58,410
Tea	13,10,890	14,73,500	2,16,080	3,58,100
Wheat flour	—	5,34,930	14,21,810	4,21,700
Cotton piece goods	9,10,970	32,69,390	24,94,070	23,19,420
Rice	3,74,440	3,01,960	1,07,710	22,81,880
Wheat	22,76,390	25,00,860	29,97,480	59,130
Silk piece goods	—	—	7,650	—
Coffee	—	—	—	1,01,550

BAHREIN-U. S. TRADE

In 1931 the United States ranked fifth among countries importing goods from Bahrain but in 1933 she began to play an important role in Bahrain trade. The chief factor in bringing this about was the holdings in Bahrain oil by American interests through the Bahrain Petroleum Company.

439 In 1944 U. S. imports from Bahrein amounted to \$30,859, most of which was classified in Group 9 (Miscellaneous) by the Department of Commerce. Of the total imports the New York Customs District received \$27,551, or almost 90%. The total of the exports to Bahrein from the United States in the same year was \$12,369,647, of which lend-lease materials accounted for \$293,786.

The following table shows the principal articles which Bahrein imported from the United States for the year 1944.

Table 7. IMPORTS FROM UNITED STATES—1944

Item	Value (in U.S. Dollars)
Animals and Animal products	323,846
Vegetables and Vegetable beverages	320,318
Vegetable products (except Wood and Fibers)	155,188
Textile fibers and manufactures	104,808
Non-metallic minerals	545,221
Metals and manufactures (except Machinery)	3,823,521
Machinery and Vehicles (Electric pumps, Engines)	5,434,105
Chemicals and Related products	1,023,226
Miscellaneous	188,129

OIL

471 The oil concession on Bahrein Island is held by the Bahrein Petroleum Company, which is Canadian registered but owned by American companies, 50% by Standard Oil of California and 50% by The Texas Company.¹

355 After a geological survey the company began drilling in 1931 in the Jabal Dukhān region, and oil was discovered in June 1932 at a depth of 2,009 feet.

382 By 1935 there were sixteen producing wells and six more drilling. At that time more than 10,000 acres had been proved oil bearing and potential production was estimated at 20,000

1. For a detailed account of the history of oil development in the Persian Gulf, see History. p. 103.

648 Collector of Customs, the State Engineer, and the Superintendent of Schools.

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439 On November 16, 1935, the Governments of Saudi Arabia and the United Kingdom, acting on behalf of the Bahrein Government, entered into an Agreement regarding the "treatment of goods destined for or exported from ports in Saudi Arabia and carried in ships calling at Bahrein." The economic provisions were as follows:

1. Duty at the rate of 2% ad valorem shall continue to be levied on goods consigned to ports in Saudi Arabia or exported from ports in Saudi Arabia, which are landed at Bahrein in order to be re-exported.
2. Duty at the rate of 1- $\frac{3}{4}$ % ad valorem shall be levied on goods consigned to ports in Saudi Arabia, or exported from ports in Saudi Arabia, which are trans-shipped (that is, loaded and unloaded direct from ships into dhows and dhows into ships anchoring off Bahrein) without being landed.
3. In consideration of the reduction in the ordinary rate of 2%, which is provided for in the preceding paragraphs, the Saudi Government will not make any request for exemption from the above-mentioned duties in the case of goods consigned to H. M. the King of Saudi Arabia or to his Government.
4. Customs duty at the rate of not more than 5% ad valorem shall be levied on dates imported into Bahrein from the ports of Saudi Arabia, but the rate provided for in Paragraph 2 above shall be levied on dates trans-shipped without being landed. The above mentioned duties shall be continued on the basis of wholesale price of dates of similar quality in Bahrein market on the day on which the consignment is cleared through customs.

648 After the signing of this Treaty of Commerce, the eldest son of Ibn Saud, newly elected the heir apparent of Saudi Arabia, visited Bahrein, and the Sheik of Bahrein participated in the

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563 The Jews have lived in the country in comparative peace and security for centuries. Their position was clear and definite. As non-Muslims they were outside the pale of the law and could not participate fully in the life of the community; but as "People of the Book" they were a *dhimma*, a protected community. In civil matters they enjoyed the same legal rights as all other Bahrain subjects. Here again social lines of demarcation were drawn on a religious basis.

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798 With the appearance of the Palestine problem the position of this small minority became progressively more precarious. Today the Jews are socially ostracized and economically boycotted, and there have been instances where physical violence has been employed against them. The local press of Bahrain is replete with references to Bahraini Jews, the Jews in general, and to Israel. Such references include, among other things, threats to publish the names of those who associate with Jews in Bahrain or buy from them, references to the United Nations as a Jewish conspiracy to dominate the world, and editorial protests to the government against allowing allegedly Israeli airlines to land in Bahrain, or against radio-communications with Israel.¹⁰

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439 The government of Bahrain has no official policy of enmity toward Israel as have the other Arab states. Commercial traffic is not prohibited with Israel or with the Jews as a whole, but in practice it is virtually so. This boycott is due in part to social pressure and in part to the fact that a large part of the goods imported into Bahrain is re-exported to Saudi Arabia, a country which has strict regulations against traffic with Jews.

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563 Owing to their present position, the Jews are the only native community whose interests and aspirations are at complete variance with those of the native population. It is a matter of public knowledge that many of them have either left or are in the process of leaving the country to start a new life in Israel, the United States, or Europe.

THE PERSIANS AND THE INDIANS

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563 The two major foreign elements in the country are the Persians and the Indians.¹¹ Their social status and relations with the native population are determined primarily by psychological, political, and economic factors rather than by religion or tribal loyalties.

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648 The Persians are the largest foreign group, but it should be noted that they are foreigners in the legal and political sense only, for they are as much a part of the scene as the legal citizens of the country. Iran has had a long and checkered association with the islands going back to pre-Islamic times. At one period, the islands were directly controlled by it, and as late

¹⁰ See any number of *al-Qaflah*, a weekly newspaper, or *Sa'at al-Bahrain*, a monthly magazine. Both are published in Bahrain in Arabic.

¹¹ As used in this paper, the term "Indians" includes Indians, Pakistanis, Anglo-Indians, and Goanese.

THE PERSIAN GULF SHAIKHDOMS

129

adequate motor-bus communications with most of the villages.

Manama is the shipping centre of the Gulf pearl industry,¹ and steamers connect regularly with India, Persia, and Iraq. Bahrain harbour is also the centre of a considerable coastal and pearling trade by dhows, as well as the local headquarters of its fishing industry. Other local industries are dhow-building and the manufacture of sailcloth and reed matting. Much of the import and export trade from al-Hasa and its hinterland passes through Bahrain, and this created an important source of revenue during the years in which Aramco was developing its oilfields on the Saudi coast. Lately, however, the Saudis have perceived the advantage of conducting this trade for themselves. By establishing a high-cost re-entry permit, they have discouraged the foreign staff of the oil company from doing its week-end shopping in Bahrain, and their policy is to increase the port and market facilities of the two Saudi coastal towns opposite the island—Dammam and Al Khobar. In Bahrain there is a duty of 5 per cent ad valorem on essential imports such as food and clothing; non-essential imports are subject to higher duties, ranging between 15 per cent on tobacco and liquor, and 10 per cent on luxuries.

History and Foreign Relations

The presence in the northern part of Bahrain Island of numerous burial tumuli indicates very early human inhabitants, but their identity, which was at one time thought to be Phoenician, remains unknown. Bahrain's situation and natural harbour facilities suggest that from the earliest days of sea navigation in the Gulf the port was important. Its recorded history, however, dates only from 1507, when the Portuguese occupied the island. They built a fort of which the ruins survive, but were driven out in 1602 by an Arab invasion from Persia. Bahrain was held by Persia intermittently until 1783, when it was conquered by Arabs from the mainland. Since 1816 it has been ruled by the Khalifa family of the Utubi tribe, which in 1820 first entered into treaty relations with the East India Company. But the Persian Government has never ceased to claim sovereignty over the island and at intervals has protested against British treaties with the Shaikh. The Persian claim is based on a British Note of 27 April 1869 in which (the Persians allege)² Lord Clarendon recognized their title to sovereignty over the

¹ This has long been important, and in the 1830's the fisheries were estimated to bring in some £300,000 to £400,000 a year.

² The Persian claim was disposed of by Sir Austen Chamberlain in a Note of 18 January 1928. See League of Nations, *Official Journal*, May 1928, pp. 606-7.

THE PERSIAN GULF SHAIKHDOMS

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called 'Red Line' agreement of 1928,¹ was unable to agree to conditions that IPC was in a position to dictate; it therefore sold its option to the Standard Oil Company of California. After negotiations in which the British Government and the American State Department both took a hand, the Bahrain Petroleum Company (BAPCO), a subsidiary of Standard Oil, registered in Canada, was allowed to take up the concession provided that, to conform to Britain's prior agreements with the Shaikh, it employed a considerable number of British subjects. In 1936 the Texas Company acquired a 50 per cent interest in BAPCO. These details are given to explain why the present company is Canadian by nationality and American by management, and employs a large proportion of British staff. The two American companies concerned are two of the four participants in Aramco.

Oil was first discovered in Bahrain in 1932 and first exported in 1934. Production was suspended during the Second World War, but since then it has risen to a steady level of 11 million barrels per year. A refinery was erected before the war, and has (since the Abadan refinery ceased to put through its daily 550,000 barrels) been stepped up to a throughput of over 200,000 barrels per day; it includes a catalytic cracking unit for high octane fuel. It is fed both with BAPCO's own production of oil from the Bahrain field and by a 12-inch under-sea pipeline from Aramco's wells in Saudi Arabia. The jetty for loading tankers lies off Sitra Island on the seaward side of Bahrain Island itself.

Originally, the Shaikh enjoyed the same royalty rate as his neighbour in Kuwait—3 rupees and 4 annas a ton, or 14 cents a barrel. In 1951 reports of the new agreements reached by his neighbours caused him to ask for equality of treatment. In 1952, therefore, he signed a new agreement with the company which established the fifty-fifty profit-sharing arrangement now universal on the Gulf. He also enjoys a payment on each ton of Saudi Arabian oil passing through his territory to the refinery. His revenue has risen relatively less than that of his neighbours because the volume of oil produced in Bahrain has for some years been virtually stationary; nevertheless earnings from oil have risen from \$1.4 million in 1948 to \$3.8 million in 1951 and \$6.3 million in 1952, and three-fourths of Bahrain's national income is now derived from petroleum activities. The social and economic changes brought about by this increased wealth are not so spectacular in Bahrain as elsewhere because

¹ See R. F. Mikesell and H. B. Chenery, *Arabian Oil* (Chapel Hill, University of N. Carolina Press, 1949).

Bahrain MZ2
QATAR MK3

B 132

ARABIA

178 so much that was orderly and progressive had been done already. In the days of Shaikh Hamad (1923-42) conditions in the pearl industry had been reformed, and municipalities, education, and other public services had been developed. These are now being further expanded. The state provides free medical services for all its people and free education in primary and secondary schools and in a technical school; in 1953 there were 4,700 boys and 2,300 girls at school, at a budget cost of 2½ million rupees per annum.

B
178 Socially, the impact of good employment in the oil company has been more widespread in Bahrain than in Kuwait, firstly because of the much longer period during which the company has been operating and secondly because its policy, unlike that of the Kuwait Oil Company, is to transport its local workers daily from homes in neighbouring towns instead of constructing a special township near the oilfield. Both policies present certain advantages; one effect of the former is to integrate the oil company into the daily life of the state. Yet there are so far no Bahrainis in BAPCO's senior administrative grades since all local men of this calibre have so far preferred to find jobs in commerce, with its prospects of a larger and speedier return for effort. As in Kuwait, more and more well-to-do merchants are sending sons abroad for education and it is an open question how these will react to the autocratic rule of a family in years to come.

B
436 The unit of currency in Bahrain is the Indian rupee. Imports
439 constituted in 1952 about double the value of exports and re-exports (£14.6 million as against £7.4 million). More than half the latter were to Saudi Arabia, the balance chiefly to Qatar and to Persia with which, despite Persia's shortage of hard currency, there continues to be a considerable volume of barter trade.

QATAR

Q
131 The Shaikhdom of Qatar comprises the peninsula of that
133 name, lying midway along the western coast of the Persian
361 Gulf. It has an area of about 8,000 square miles with a popula-
312 tion of some 25,000. From a dangerous coast-line the land rises to a low, monotonous plateau. The main water-supplies are from wells. Its only land frontier—that with Saudi Arabia—has never been demarcated.

Q
436 Qatar has been in relations with Great Britain since 1882.
361 An agreement with Britain of 3 November 1916 had provisions
312 similar to those with the other Trucial shaikhs, and included a clause making the grant of pearling concessions or other mono-

000 and Pakistan. Regular air communications
509 are maintained to Iraq and Arabia, and
the airport on Muharraq Island also serves
international airlines with terminals in
Europe, the Middle East and the Far East.

491 Motor roads connect the towns and the vil-
lages on the different islands, and extend
across causeways from Bahrain to Muhar-
raq and Sitra. The local transport facilities
are well developed, and motor bus routes
link most of the population centers.

FOOD AND NUTRITION

262 The food habits of the diverse racial
146 groups are varied, but serious undernutri-
464 tion is seldom encountered, except among
the migratory laborers from the mainland
and the Baharna and Arabs in the agri-
cultural and the fishing villages. The islands
439 are dependent upon imports for a large pro-
656 portion of their food supply. The govern-
ment controls certain essential foodstuffs,
as wheat, rice and sugar, and regulates
prices through a system of rationing.

262 The diet of the average Bahraini consists
439 of dates, bread, rice and fish, supplemented
by native vegetables in season and limited
amounts of meat and milk. Goats are raised
in many villages, though their milk is usu-
ally scanty and poor in quality. Most of the
meat is imported from Iran, and is corre-
spondingly expensive. An assortment of
fruits and vegetables is generally obtainable
in Manama markets by those who are able
to purchase them.

HOUSING

362 Manama is a cosmopolitan town, and the
changes which have come about within the
last two decades are reflected in the con-
struction of increasing numbers of modern-
type dwellings. Muharraq, in contrast, is a
342 distinctly Arab community. Coral blocks,
coral slabs and plaster are the usual building
materials in the older houses, while cement
is used extensively in the newer buildings.
The typical Arab-style homes are built
around inner courts and have utilitarian

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744 spraying campaign. The existing species have not been determined: several are probably implicated in the spread of intestinal and eye infections. All forms of human lice are present. Numerous species of fleas occur, including presumably *Xenopsylla cheopis*, the usual vector of plague, which was frequently epidemic in the past.

FOOD SANITATION

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656 The sanitary supervision of the markets, coffee shops, bakeries and other premises where foods are prepared or sold is the responsibility of the municipal authorities in Manama and Muharraq. Little governmental control has been attempted, but the new public health division plans to develop inspection services. Most of the meat used is imported, and is not subject to inspection in Bahrain. There are slaughterhouses, however, in Manama and Muharraq which are operated under the supervision of the municipal officers. No regulations exist governing the sale of milk. It is obtained from small herds of goats, and is often contaminated.

HEALTH SERVICES AND MEDICAL FACILITIES

HEALTH ORGANIZATIONS

744 The Public Health Department of the Bahrain government is responsible for the protection of the health of the inhabitants and the enforcement of international quarantine regulations. It is administered by the Chief Medical Officer, whose headquarters are located at Manama. The department came into being in 1936, when the government hospital was erected, but, with the exception of malaria control measures, its functions were concerned primarily with the operation of medical care facilities until its reorganization in 1952. In that year, public health services were developed within the department, which now incorporates separate curative and preventive divisions. The port health authority, formerly under the Indian Medical Services, was taken over by

228 pearl-trade during the war. Sea fisheries are also extensive, the fish being taken in nets and in tidal weirs or enclosures (*hadhrahs*) made of reeds, some of which surround large areas in the shallow waters round the coasts; 500 lb. of fish a day were supplied without difficulty to the Indian Expeditionary Force in 1914. Agriculture is carried on by irrigation, the chief products being fruit (dates, citrons, limes, melons, figs, &c., but few of the first quality), lucerne, and a few vegetables; a great belt of date-groves on Bahrein Island runs S. from Manāmah to the village of Būri, a distance of about 7 miles. Domestic animals include about 2,000 donkeys, less than 100 horses owned by the Sheikh and his family, about 100 camels, chiefly used in carrying water to Manāmah for sale, and a small but fine local breed of cattle, in high repute for their milking qualities. Of the donkeys, some 200 are of the famous breed imported from Hasa, from 12 to 13 hands, and white in colour.

433 The chief handicrafts are sail-making, weaving of abbas, lungis, and checked sheeting, and the manufacture of mats from Hasa reeds. Palgrave described the *Bahārinah* as excelling in the crafts of the weaver, the tailor, the dyer, and the worker in metal, wood, or leather. Boat-building, with timber imported from India, employs about 200 carpenters; Bahrein builders can turn out an excellent forty-ton boat in less than a month. Many boats are sold to purchasers in El-Qatar and Oman.

504 Trade at the port of Manāmah was for years hindered by the unsatisfactory arrangements for handling cargo, distribution being

439 delayed, and goods left to deteriorate without any proper protection. In 1910 the control was given to a European, but in the following year native sentiment demanded native control, and two Arabs were appointed, with lamentable results. Since then matters have improved; a Hindu has been placed in charge, and the construction of a jetty and storage-shed has modified the worst of the

[651] former defects. The Sheikh is entitled by treaty to an *ad valorem* duty of 5 per cent. on merchandise. Bahrein is the principal market for the pearl-industry, the export of pearls in a good year attaining about £2,000,000. But it is also an important emporium for the east coast of Arabia, distributing merchandise from India and from countries bordering on the Persian Gulf, to El-Qatar, Qatif, and 'Oqair, from which last two ports goods are carried into the oases of Hasa and Qatif, and beyond into southern Nejd. This local trade is carried in native boats without manifests, so that exact statistics cannot be obtained.

439 The total average imports of Manāmah for the three years 1911-14 amounted to £2,061,038, and exports £2,106,766. During the

BAHRAIN M22

INDUSTRIES AND TRADE

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same period the figures under the three main heads averaged as follows:— 439•

	IMPORTS.	EXPORTS.
Pearls	£810,000.	£1,826,430
Specie	461,280	60,970
General merchandise	789,740	219,350

The principal commodities imported are rice, piece-goods, ghi, coffee, dates, sugar, tea, tobacco, spices, fuel, and animals for slaughter. Real exports other than pearls are of small value and importance, Bahrein being a distributing and not a producing centre: a few textiles and a little sail-cloth almost complete the tale of local manufacture. The principal share of the Bahrein trade falls to the lot of India, which is responsible for more than half of the total, though many goods arriving from that country are really of European origin, sent there for reshipment owing to the lack of direct facilities, and to the fact that Bahrein has grown accustomed to placing orders in Bombay. Next to India come Persia and Iraq, less than 10 per cent. falling to all other countries. The natural result of this preponderance is that trade is largely in the hands of Indian and Persian merchants. Besides legitimate commerce, there is a contraband traffic with the South Persian coast. In 1914 there was but a single British firm in Bahrein, Gray, Paul and Co., who are agents for the British India Steam Navigation Co.: the only other European commercial house was that of R. Wonekhaus & Co., of Hamburg, which had been established for some years. On the outbreak of war there were two resident members of the latter, the manager, who was arrested and interned at Karachi, and his assistant, who belonged to the active reserve of the German Army, and escaped to Basra. The branch was then closed. There are no banks, and transactions are largely carried out by means of Indian currency notes. [441]

Steam communication is chiefly in British hands, the British India Steam Navigation Co. maintaining a weekly service up from Bombay and Karachi, and a fortnightly down to Karachi and Bombay. The Arab Steamers, Ltd., a line started in 1911 in opposition to the British company, call from Bombay about once every three weeks, and again on the return voyage from Basra. The boats of the Persian Gulf Steam Navigation Co. from Bombay call on the outward voyage once a month, and again on their return. Before the war, the steamers of the Hamburg-Amerika line called about once a month on the outward voyage, thus providing the only regular direct access to Bahrein from Europe. 505